

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

First-Class Mail and Periodicals
Service Standard Changes, 2021

Docket No. N2021-1

PRESIDING OFFICER'S INFORMATION REQUEST NO. 1

(Issued May 11, 2021)

Pursuant to Order No. 5888¹ and 39 C.F.R. § 3020.118, the Postal Service is requested to respond to the following questions to clarify the record on its request for an advisory opinion under 39 U.S.C. § 3661(c) regarding First-Class Mail and Periodicals Service Standard Changes.² To facilitate inclusion of the requested material in the evidentiary record, the Postal Service shall have a witness attest to the accuracy of the answers. For each question, produce every document (including any calculations, analysis, assumptions, studies, or workpapers) that were used, relied upon, or referenced in preparing the response. Responses shall be provided as soon as they are available, but no later than May 17, 2021.

The following questions refer to witness Cintron's testimony (USPS-T-1):³

1. Please refer to USPS-T-1 at 7. Please confirm that the table at the bottom of page 7 "list[ing] the Postal Service's Percent-On-Time performance for Presort

¹ Order Designating Presiding Officer, May 7, 2021 (Order No. 5888).

² United States Postal Service Request for an Advisory Opinion on Changes in the Nature of Postal Services, April 21, 2021 (Request).

³ Direct Testimony of Robert Cintron on Behalf of the United States Postal Service (USPS-T-1), April 21, 2021.

First-Class Mail from 2012 through 2020” references Presorted First-Class Mail service performance results for both letter- and flat-shaped mailpieces.

2. Please refer to USPS-T-1 at 8. Please confirm that the table “list[ing] the Postal Service’s Percent-On-Time performance for Periodicals from 2012 through the fourth quarter of 2020” references Periodicals mail for both end-to-end and destination entry Periodicals mail.
3. Please compare and contrast the process used to develop the initial service standards for First-Class Mail products with the process used to determine the proposed service standards.
4. Please compare and contrast the process used to develop the initial service standards for Periodicals with the process used to determine the proposed service standards.
5. Please refer to USPS-T-1 at 11 n.8. The Postal Service states it “expect[s] to set service performance targets at 95 percent once the new service standards are in place, and . . . expect[s] to meet or exceed them consistently upon implementation”
 - a. Did the Postal Service prepare a study or impact analysis that confirms it will meet or exceed a service performance target of 95 percent on-time?
 - b. Please compare and contrast the process used to develop the initial service performance targets for First-Class Mail with the process used to determine the expected target of 95 percent on-time.
 - c. Please describe the steps the Postal Service will take to ensure these new targets will be met or exceeded.
6. Please refer to USPS-T-1 at 15-17 pertaining to the Postal Service’s proposed changes to service standards for First-Class Mail.
 - a. Please describe any current distance-related criteria, in addition to drive time.

- b. Please describe any planned distance-related criteria, in addition to drive time.
- 7. Please refer to USPS-T-1 at 30. The Postal Service explains that a “reduction in air transportation will lead to an increase in the volume moved by surface transportation” and will eventually lead to a “decrease in miles traveled by surface transportation contractors.”
 - a. Please describe and provide any studies, including scope, methodology, and results, that the Postal Service developed related to an eventual decrease in miles traveled by surface transportation contractors.
 - b. Please describe the steps the Postal Service will take to decrease miles traveled by surface transportation contractors.
- 8. Please refer to USPS-T-1 at 25. The Postal Service discusses the criteria used to determine whether the Postal Service utilizes air or surface transportation. Please provide a decision tree or flow chart that details this determination process.
- 9. Please refer to USPS-T-1 at 21. The Postal Service states that complexities exist “when the Postal Service must move both mail and packages on the same trip.” Please provide a decision tree or flow chart that details this determination process. If this is not possible, please respond with a detailed example of when this process was used, how determinations were reached, and what specific metrics were used.
- 10. What percentage of prescription fulfillment and medical supply mail will be impacted by the proposed changes in service standards?
- 11. With regard to Origin Destination pairings within the mail network, please describe what methods were used to analyze the impact to those pairings with the greatest opportunities for increased efficiencies and service performance.
- 12. With regard to the existing service standards for contiguous and non-contiguous First-Class Mail, please quantify the volume of mailpieces by current and

proposed service standard, as defined by the drive time. As detailed in the table below, please also provide the details of the volume delivered within 2, 3, 4, 5, and 6+ days. Please disaggregate these data by the following products:

- a. First-Class Mail Single-Piece Letters/Cards
- b. First-Class Mail Presorted Letters/Cards
- c. First-Class Mail Flats
- d. In-county Periodicals
- e. Outside County Periodicals

Current Drive time	Current Service Standard	FY 2020 Volume Disaggregated by current drive time	FY 2020 volume delivered in 2 days	FY 2020 volume delivered in 3 days	FY 2020 volume delivered in 4 days	FY 2020 volume delivered in 5 days	FY 2020 volume delivered in 6+ days
Within 3 hours							
Within 6 hours							
Within 20 hours							
Within 41 hours							
More than 41 hours							

The following questions refer to witness Whiteman's testimony (USPS-T-2):⁴

13. Projected cost savings calculated in Library Reference USPS-LR-N2021-1/4 are based on FY 2020 costs for both air and highway transportation.⁵ According to the Postal Service's Form 10-K report for FY 2020, air transportation and highway transportation expenses increased by 12.7 percent and 5.2 percent, respectively, compared to the prior year.⁶ The Postal Service expects transportation costs to decline in FY 2021 assuming a minimal usage of the higher cost chartered air carriers with the resumption of commercial air to full

⁴ Direct Testimony of Curtis Whiteman on Behalf of the United States Postal Service (USPS-T-2), April 21, 2021.

⁵ Library Reference USPS-LR-N2021-1/4, April 21, 2021.

⁶ United States Postal Service, 2020 Report on Form 10-K, November 13, 2020, at 44 (Postal Service FY 2020 Form 10-K).

capacity by the middle of the FY 2021.⁷ FY 2020 transportation expenses were affected by the COVID-19 pandemic. Postal Service FY 2020 Form 10-K at 44.

- a. Please provide the rationale for using FY 2020 as the base year given the known effects of the pandemic on transportation expenses.
 - b. Please provide the cost assumptions used to calculate the FY 2021 planned transportation costs in the FY 2021 IFP. *Id.*
 - c. Please provide the cost assumptions used to calculate the projected financial impact of individual transportation cost saving initiatives in the Postal Service's 10-year strategic plan.⁸
14. Under the proposed changes, the Postal Service expects a reduction of 49.3 percent in First-Class Mail pounds flown.⁹
- a. Will the available space that results from the reduction in First-Class Mail pounds flown be replaced by packages? If yes, how will that affect the cost savings calculated in Library Reference USPS-LR-N2021-1/4?
 - b. Please provide air and surface costs for the affected First-Class Mail and Periodicals for prior years beginning FY 2017.
15. Please provide projected air and surface costs updated with actual data through the current date for the affected First-Class Mail and Periodicals for FY 2021.
16. Please refer to Docket No. RM2017-3, Comments of the United States Postal Service, March 20, 2017, Appendix C at 4. Please quantify the savings realized

⁷ United States Postal Service, Integrated Financial Plan, Fiscal Year 2021, November 24, 2020, at 6 (Postal Service FY 2021 IFP).

⁸ See United States Postal Service, Delivering for America: Our Vision and Ten-Year Plan to Achieve Financial Sustainability and Service Excellence, March 23, 2021, at 48, available at: https://about.usps.com/what/strategic-plans/delivering-for-america/assets/USPS_Delivering-For-America.pdf.

⁹ Library Reference USPS-LR-N2021-1/3, April 21, 2021, Excel file "3_SSD_5D_Vol_Impacts_CONUS.xlsx," tab "Air_Finance_Summary," cell C4.

to date from the initiative listed as b) in the recommended cost savings initiatives for the operating category Transportation / Logistics.

The following questions refer to witness Hagenstein's testimony (USPS-T-3):¹⁰

17. Please provide information related to Highway Contract Route (HCR) contracting process, using an example of an Inter-Area highway contract where indicated.
 - a. Using an example of an Inter-Area highway contract, please explain what determines HCR contract's cost. For example, please address how the cost is determined by contracted vehicle(s) capacity, number of trips included in a contract, number of miles of each included trip, day(s) of the week included trip(s) would run, or a combination of these and/or other factors. Please also provide typical Inter-Area contract's duration.
 - b. Please explain whether HCR contracts include one-way trips, round trips, or both. For round trips, please explain whether trips are scheduled to carry mail on both the outbound and the inbound portions of their respective journeys.
 - c. Please provide the average Inter-Area contract cost per contract cost driver (as explained in question 17.a. above) in FY 2020. Please also provide the average Inter-Area contract cost per cubic-foot (ft³) and/or per piece of transported mail, depending on data availability. Please also describe trends in Inter-Area contracts costs per contract cost driver and cost per ft³ and/or piece of transported mail over the last 10 fiscal years. If these data are not available, please explain why.
 - d. Please explain the process the Postal Service has in place to acquire vehicles on an as-needed basis, for example, to deliver mail which was not loaded onto a scheduled trip due to delays. Using an example of an

Direct Testimony of Stephen B. Hagenstein on Behalf of the United States Postal Service (USPS-T-3), April 21, 2021.

Inter-Area trip, please also explain how expense for such ad-hoc trip is determined (what the cost driver is) and whether it is reported in the regular, emergency, or exceptional Inter-Area contracts account.

- e. Please refer to Library Reference USPS-LR-N2021-1/3, April 21, 2021, Excel file “3_SSD_5D_Vol_Impacts_CONUS.xlsx,” tab “Finance_Summary Surface,” cell D4. For the projected 6.6 percent reduction in mileage for Inter-Area trips, please explain whether this estimate represents a reduction in contracted miles for regular, emergency, and/or exceptional Inter-Area contracts.
 - i. Please describe the impact of the 6.6 percent reduction in Inter-Area mileage on the Postal Service’s expenses associated with existing Inter-Area regular contracts for which trips miles would be reduced.
 - ii. Should any of the miles estimated to be eliminated be associated with Inter-Area exceptional contracts, please describe the impact on the Postal Service’s expenses.
- 18. Please provide information related to expenses and/or penalties associated with poor on-time performance in the air and the surface networks.
 - a. Please describe costs associated with poor on-time performance, and describe how these costs, when incurred in the air network, differ from costs incurred in the surface network.
 - b. For each of the surface and air networks, please explain whether it is the Postal Service or the supplier of transportation services that bears expenses associated with poor on-time performance, and describe how these expenses are determined.
 - c. For each of the surface and the air networks, if relevant, please explain whether the Postal Service can and does assess penalties to suppliers of transportation services for poor on-time performance.

19. Please refer to USPS-T-3 at 7. The Postal Service describes the modeling as an iterative process in which network efficiencies are maximized. The Postal Service further explains that the iterative process first created a model to optimize origin facility – destination facility pairs (OD Pairs) currently served by surface transportation, then introduced OD Pairs currently served by air transportation into the model, and finally analyzed cost effectiveness of the model's routing results for current air OD Pairs. Please provide information related to the model's iterations.
- a. The Postal Service describes that during the model's first iteration, new service standards were introduced into the model, which resulted in increased transportation window and allowed for efficiency improvements in the modeled network of trips.
 - i. Please describe what transportation efficiencies were accomplished by the model's first iteration. Specifically, provide number of routings in the "baseline network," number of routings in the network which resulted from the model's first iteration, baseline and resulting routings' mileages, as well as baseline and resulting capacity utilizations.
 - ii. Please list all products currently served by surface transportation within Inter-Area, Inter-Cluster, and Inter-P&DC networks, which have similar service standards and require similar transit times as those proposed for First-Class Mail.
 - b. The Postal Service describes the model's second iteration as including OD Pairs currently served by air transportation.
 - i. Please provide the percentage of the First-Class Mail volume diverted from the air network that was determined to be able to utilize routings from the model's first iteration and the percentage of the diverted volume determined to require new routings.

- ii. Please explain what volume, other than the diverted First-Class Mail volume, was modeled to be transported on the newly added routings.
 - iii. Please provide the number of new routings determined to be required, the average routing distance in miles, total miles of all new routings, newly added capacity, and average capacity utilization for the new routings.
 - c. During the model's third iteration, new routings from the previous iteration were evaluated for cost effectiveness.
 - i. Please explain whether capacity utilization for new routings was among the factors evaluated when determining these routings' cost effectiveness. Please provide the utilization percentage which constituted satisfactory utilization.
 - ii. Please provide the number of new routings that were determined cost effective and those determined not cost effective, from the model's third iteration. Please describe how routings determined to be cost effective and routings determined not cost effective differed.
 - iii. Please provide an Excel file which includes final transportation mode selected by the Postal Service, outside of the model, for each origin-destination 3-digit ZIP Code pair or each origin-destination facility pair, depending on the level at which mode selection was determined.
 - d. Using two examples of actual Inter-Area, Inter-Cluster, and Inter-P&DC trips, please map these trips to the most relevant OD Pairs. Please also describe similarities and differences between modeled OD Pairs and contracted trips.
20. The Postal Service identifies model inputs as volumes, mappings of origin and destination 3-digit ZIP Codes to respective origin and destination processing facilities for all mail classes and shapes, transportation mode currently used for

First-Class Mail, shipping containers used, transit times between origin and destination facilities, and costing inputs. Please provide information regarding model inputs.

- a. Please refer to USPS-T-3 at 8. Please explain why the Postal Service used package volumes which pertained to October 2020, First-Class Mail volumes for March 2019 and scaled to March 2020, and all other volumes which pertained to March 2019. Please also explain possible implications of optimizing a network in which mail mix is not representative of mail mix pertaining to one point in time. In your explanation, please address the fact that the estimated gains in efficiencies were partly driven by products of different classes and shapes sharing vehicle space to increase capacity utilization, while identifying more efficient routings.
- b. Please provide the month and the calendar year to which the Wednesday mode matrix used as an input to the model pertains. Please provide additional detail on transportation modes.
 - i. Please refer to USPS-T-3 at 9. The Postal Service states that the Mode Mapping file “designates the approved mode of transportation, air or surface, between every origin and destination pair in the country” and that “the Wednesday mode matrix was used.” Please clarify whether by “approved mode” in the quoted sentence, the Postal Service refers to mode approved by the Postal Service on the specific Wednesday or whether it refers to transportation mode approved based on origin and destination facilities’ respective clearance time (CT) and critical entry time (CET) as well as on the distances between them.
 - ii. Please explain whether First-Class Mail mode approved based on distance and on CTs and CETs can vary from the mode a mailpiece is assigned to on a given day, and describe what determines this “diversion.”

- iii. Please describe how the Wednesday to which the mode matrix pertains aligns with days to which modeled volumes pertain.
21. Please refer to USPS-T-3 at 6, 10-17. The Postal Service states that it used Blue Yonder Transportation Modeler optimization software (software) to maximize modeled network's efficiencies, with the objective to minimize transportation miles, while adhering to all parameters and constraints. USPS-T-3 at 6, 10. The Postal Service also describes that the software used a set of instructions on how to perform optimization and provides service standard assignment rules used in the modeling. *Id.* at 11, 13. Please provide information related to the optimization process.
- a. Please explain whether the instructions to the software on how to perform optimization, and included in the various strategy files that the software tested, were given weight, determined by their relative importance within the complete set of instructions, and if so, please list instructions with highest assigned weights.
 - b. Please explain whether the software was instructed to eliminate potential routings for which capacity utilizations were low and from which volumes could be "transferred" to available alternative routings.
 - c. The Postal Service describes service standard assignment rules utilized in the model. Please explain whether the modeling process started with a "baseline scenario," which was to a certain degree reflective of current Inter-SCF network inefficiencies and current routings, and to which proposed service standards were introduced during the model's first iteration.
 - d. The Postal Service states that the model assumed 53-foot trailers, with maximum volume modeled as 1,575 ft³. *Id.* at 15.
 - i. Please provide capacity of a 53-foot trailer (in ft³) and explain what capacity utilization 1,575 ft³ of mail volume in a 53-foot trailer represents.

- ii. Please explain whether the 1,575 ft³ of mail volume represented modeling input (*i.e.*, less optimal use of truck capacity) or whether it was an instruction for the software, which represented a more optimal use of truck capacity.
 - iii. Please provide truck capacity utilization for modeled Inter-Area, Inter-Cluster, and Inter-P&DC trips before and after optimization was performed.
 - iv. Please provide average capacity utilization for actual Inter-Area, Inter-Cluster, and Inter-P&DC trips in FY 2020. Please also provide average APC container utilization in FY 2020.
- e. The Postal Service states that the software used a vehicle speed of 46.5 miles per hour (mph) to generate transit times. *Id.*
 - i. Please explain whether 46.5 mph speed was used for all modeled trips, including short distance trips (up to 139.5 miles), trips with multiple stops, and trips with portions of traveled distances in urban areas.
 - ii. Please explain whether average vehicle speed, as dictated by trips' characteristics (such as urban/rural area trip, number of stops per trip, vehicle load) is considered when HCR contract amounts are determined. If vehicle speed (or travel time) is considered, please describe how it is determined/what values are used.
 - iii. Please explain whether the Postal Service assumed maximum combined driving distance between origin and destination processing facilities within the contiguous United States, above which First-Class Mail volume could not be delivered within the five-day service standard transit window and for which First-Class Mail volume was assigned to air transportation based solely on this distance.

- f. Please refer to USPS-T-3 at 16-17. The Postal Service describes slack time added to transit time, and made possible due to increased transportation window, as allowing pairing of shipments at the origin and additional stops. The Postal Service also describes origin dispatch times used in the model as based on 95th percentile machine end times plus 90 minutes or 3:30, whichever was earlier. Lastly, the Postal Service states that destination CETs are product- and shape-based, specifically 8am for letters/flats and 8pm for parcels. Please provide information related to origin dispatch times, destination entry times, and how they contributed to more efficient routings for Inter-Area, Inter-Cluster, and Inter-P&DC trips.
- i. Please explain whether 95th percentile for machine end times plus additional 90 minutes were used as modeling inputs and whether the software was instructed to add any slack time at origin to allow for pairing of shipments at that stage (in particular for “all drops and one pick” trips).
- ii. Please explain why the model used the *earlier* of 3:30 or machine end time + 90 minutes, and whether this assumption could have resulted in unrealistic origin dispatch times and may have prevented pairing of shipments at origin.
- iii. For each of Inter-Area, Inter-Cluster, and Inter-P&DC categories, please provide the most common dispatch time at origin before and after network optimization was processed.
- iv. Using an example, please explain how different CETs for letter-/flat- and parcel-shaped mail, combined with added slack times, which benefit only First-Class Mail and end-to-end Periodicals volumes, allow for shared truck space for letter/flat and parcel volume, *i.e.*, for increased capacity utilization.

- v. Please provide average truck space in Inter-Area, Inter-Cluster, and Inter-P&DC network used by Priority Mail and First-Class Package Service volume in FY 2020.
 - vi. The Postal Service describes that trips were modeled as non-stop or multi-stop trips, with a maximum of three stops allowed for the latter (one stop at a Surface Transfer Centers plus two extra stops). Please explain whether the baseline network assumed only non-stop trips or trips with fewer than three stops and whether some of the modeled efficiency gains stem from stops that were added during optimization process, owing to the increased transportation window. Please also explain whether additional stops would result in increased mileages for routings.
 - g. Please describe whether mail weight, mail capacity (ft³), or both were used to determine costs of fuel for the routings evaluated by the software.
 - h. Please list modeling instructions that most contributed to the estimated reduction in mileages for Inter-Area, Inter-Cluster, and Inter-P&DC trips.
 - i. Please list existing Inter-SCF inefficiencies not accounted for in the optimization process.
22. Please describe inefficiencies present in the Inter-Area, Inter-Cluster, and Inter-P&DC networks and identify those that could be improved without the implementation of the proposed service standards for First-Class Mail, which result in increased transportation window for First-Class Mail and end-to-end Periodicals volumes only.
23. Using examples, please describe the direction and potential magnitude of the impact of the following factors, which remain to be evaluated¹¹, on the estimated reductions in Inter-Area, Inter-Cluster, and Inter-P&DC mileages.

¹¹ USPS-T-3 at 19.

- a. Trips were modeled as one-way
 - b. Relationships with transportation outside the scope of the model
 - c. Site-specific operational nuances
 - d. Department of Transportation requirements
24. Please explain whether the estimated reduction in mileage is expected only in the first year the proposed service standards would be implemented (FY 2022). Please provide additional information related to cost savings and future plans for network improvements.
- a. Please provide an estimate of the air and the surface network cost savings pertaining to FY 2022, the first full fiscal year with new First-Class Mail service standards in place.
 - b. Please describe other highway networks where optimization process is ongoing or planned, the focus of these efforts, and these networks' main cost drivers.
 - c. In USPS-T-1, witness Cintron states that "after extending service standards [for First-Class Mail] by one or two days within the contiguous United States, the Postal Service will establish an expanded surface network for First-Class letters and flats, capable of reaching coast to coast" and that this coast to coast First-Class Mail network would then be merged with the existing Inter-National Distribution Center (NDC) network, currently dedicated to transporting end-to-end Marketing Mail, Periodicals, and package service products. USPS-T-1 at 28-29.
 - i. Please explain whether First-Class Mail volume traveling from coast to coast would arrive at destination facility within the five-day service standard maximum transit time.
 - ii. Please confirm that surface network impact of this new coast to coast First-Class Mail network is not included among the materials filed in the instant docket.

- iii. Please discuss how network changes considered/modeled in the instant docket are aligned with and lead to this eventual coast to coast First-Class Mail network.
25. Please explain the impact of the proposed service standard changes on Outbound First-Class Mail International and Inbound Letter Post volume, revenues, costs, and service performance. For the Inbound Letter Post, please include expected impact on bonuses/supplementary remunerations earned on the basis of on-time performance.
26. Please refer to Library Reference USPS-LR-N2021-1/3, Excel file “3_SSD_5D_Vol_Impacts_CONUS.xlsx,” tab “Finance_Summary Surface.”
- a. Please explain whether the values included in columns B and C of the referenced tab represent mileages per day or mileages per year, for Inter-Area, Inter-Cluster, and Inter-P&DC contracts. If the values are annual mileages, please explain what factor the Postal Service used to calculate annual mileages from daily mileages and how this factor was determined.
 - b. For each of the Inter-Area, Inter-Cluster, and Inter-P&DC contract categories, please provide annual capacities (ft³) and annual mileages that represented modeling inputs, those that were produced from the first iteration of the model (*i.e.*, solely due to introduction of the proposed service standards), and those which resulted from the model’s second iteration (with new surface routings added to the modeled network for some of the diverted First-Class Mail volume).
 - c. Please explain whether any miles which were eliminated during the modeling process were associated with eliminated trips.

The following questions refer to witness Monteith's testimony (USPS-T-4):¹²

27. Please refer to USPS-T-4, in which witness Monteith states, "End-to-end Periodicals volume has declined by 20 percent from FY 2015 to FY 2019." USPS-T-4 at 3. Please provide the sources and any underlying calculations for deriving the 20 percent figure quoted above.
28. In USPS-T-4, witness Monteith states, "The lower sensitivity of Presort mail to changes in Delivery Time is an important finding. It suggests that the estimated impact to [First-Class Mail] is unlikely to be significant given that Presort Letters account for 65 percent of overall [First-Class Mail] volume and Single-Piece Letters is 28 percent." *Id.* at 15.
 - a. Please provide the percentage of Presort First-Class Mail subject to the proposed changes in service standards
 - b. Please provide the percentage of Single-Piece First-Class Mail subject to the proposed changes in the service standards
 - c. If the Postal Service is unable to provide these percentages please explain.
29. In USPS-T-4, witness Monteith states, "To develop the projections, Thress evaluated the impact to [First-Class Mail] volume if Delivery Time increased by 18 percent as a result of the proposed service standard changes." *Id.* Please also refer to USPS-T-4 stating, "To develop the projections, Thress evaluated the impact to Periodicals if Delivery Time increased by 18 percent as a result of the proposed service standard changes and holding price and costs constant." *Id.* at 17. Lastly, please refer to Direct Testimony of Thomas E. Thress on Behalf of the United States Postal Service (USPS-T-5), April 21, 2021, in which witness Thress states, "The Postal Service estimates that the proposed changes to

¹² Direct Testimony of Steven W. Monteith on Behalf of the United States Postal Service (USPS-T-4), April 21, 2021.

service standards could increase average delivery time by as much as 18 percent within the affected delivery networks.” USPS-T-5 at 36.

- a. Please explain why the increase in delivery time is estimated to be the same for First-Class Mail and Periodicals and provide basis for such an assumption.
 - b. Please confirm that the 18 percent figure referenced above refers to the change in expected Delivery Time from comparing the old and new service standards and not the change in actual Delivery Time as a result of adopting the proposed service standards.
 - c. If not confirmed, please explain what specifically the 18 percent refers to and how the Postal Service defines “Delivery Time.”
 - d. Please provide the underlying calculations, for both First-Class Mail and Periodicals if there are separate calculations and including references to initial source(s), for deriving the 18 percent figure referenced above.
 - e. Please confirm whether it is possible to derive or the Postal Service currently possesses corresponding estimates for the increase in Delivery Time for specifically affected classes and products of First-Class Mail and end-to-end Periodicals. If not confirmed, please explain why it is impossible for the Postal Service to procure such estimates.
 - f. If question 29.e. is confirmed, please explain whether it would be possible to feed more granular inputs of increase in Delivery Time through witness Thress’s models to estimate volume loss, and subsequently the effect on contribution, for specific products and classes in USPS-T-5. If not confirmed, please explain why it is not possible to feed in the more granular inputs into the model and estimate product and class-specific contributions.
30. In USPS-T-4, witness Monteith states, “Further, all Periodicals are likely to be more sensitive to changes in Delivery Time as compared to end-to-end Periodicals due to the inclusion of more time-sensitive mail pieces, thus the

forecasted impact is likely to be overestimated.” USPS-T-4 at 17. Please provide all quantitative metrics used to support the claim that end-to-end Periodicals are less time-sensitive than Periodicals in general. If no quantitative metrics are available please explain the basis for this claim.

31. In USPS-T-4, witness Monteith states, “We [the Postal Service] had productive discussions regarding the initiative during which [Postmaster General’s Mailers Technical Advisory Committee (MTAC)] members provided insightful feedback . . . [Areas Inspiring Mail (AIM)] members also provided insightful feedback on the initiative. The Postal Service also has an array of established communication channels for consumers and small businesses We hosted webinars for business mailers to introduce and discuss the proposal as well as to answer any questions and receive feedback. For the general public, our employees at customer care centers are knowledgeable about the proposed service-standard changes and can answer most questions about the initiative. These employees can also receive feedback.” *Id.* at 22-24. In USPS-T-4 witness Monteith also states, “Postal Service officials informally meet with groups whom raised concerns about the proposal. For example, officials met with remittance mailers, election officials, and periodical mailers to identify and address their concerns and answer questions.” *Id.* at 25 n.74. Please also refer to feedback received during the pre-filing conference, which took place on April 6, 2021, and the technical conference, which took place on April 30, 2021. Please provide examples of feedback and/or “concerns” received from various stakeholders, and the Postal Service’s response to these concerns, including but not limited to:
- a. MTAC
 - b. AIM
 - c. election officials
 - d. rural and urban customers
 - e. seniors
 - f. veterans

- g. contiguous and non-contiguous U.S. customers
 - h. middle-class customers and low-income customers
 - i. large and small-business customers
 - j. prescription mailers
 - k. remittance mailers
 - l. end-to-end Periodical mailers
 - m. marketing mailers
 - n. transactional mailers
 - o. Postal Service employees
 - p. the general public
32. In USPS-T-4, witness Monteith states “many customers have expressed general concerns about adjusting delivery times” USPS-T-4 at 25.
- a. Please provide additional information on the types of customers referenced above that have expressed concerns about adjusting delivery times.
 - b. Please describe any trends that the Postal Service has identified, on different customer segments’ responses to the proposal.
 - c. Please confirm whether the Postal Service conducted analyses or surveys to gauge the impact of the proposal to adjust delivery times for First-Class Mail and end-to-end Periodicals on customers’ satisfaction.
 - i. If confirmed, please provide the results of such analysis, including a discussion of trends for various customer segments, including but not limited to:
 - 1. rural and urban customers
 - 2. seniors
 - 3. veterans

4. contiguous and non-contiguous U.S. customers
 5. middle-class and low-income customers
 6. large and small business customers
 7. prescription mailers
 8. remittance mailers
 9. end-to-end Periodical mailers
 10. marketing mailers
 11. transactional mailers
 - ii. If not confirmed, please explain why the Postal Service did not conduct such an analysis or survey.
33. Please refer to USPS-T-4, Tables 2 and 3.
- a. Please reconcile why Table 2 indicates 0.456 billion pieces in First-Class Mail volume loss from FY 2011 to FY 2020 and Table 3 indicates 0.490 (0.490 = 0.473 + 0.017) billion pieces in First-Class Mail loss over the same period.
 - b. If either of the volume loss figures needs to be updated in Table 2 or Table 3, please confirm that Table 2 and Table 3 indicate the same amount of First-Class Mail volume loss from FY 2011 to FY 2020.
34. Please refer to USPS-T-4, Attachment 1 pertaining to Consumer and Commercial BHT for Q1 2021. Please also refer to USPS-T-4, in which witness Monteith states, "The top five drivers of customer satisfaction are: (1) reliability; (2) consistently delivers the mail when expected; (3) provides fast mail delivery; (4) 'keeps my mail safe;' and (5) delivers to the correct address." USPS-T-4 at 18.
- a. Please provide quarterly-updated Consumer and Commercial BHT results, as well as full appendices, for the past 3 years (*i.e.*, as early as Q1'18 results). Please file the relevant materials, under seal if necessary.

- b. Please discuss how the top five drivers of customer satisfaction have changed since FY 2017. Please include in your discussion how the relative importance of reliability and fast mail delivery have changed since FY 2017.
- c. Please explain how the Q1'21 Key Driver Index Score in the Q1 2021 BHT of Attachment 1 is calculated.
 - i. Please also confirm that the methodology for calculating this score is consistent for the past BHT results provided in the response to question 34.a.
 - ii. If not confirmed, please explain any changes in the methodology for calculating the score.
- d. Please explain how the survey sample in the Q1 2021 BHT of Attachment 1 is identified and contacted. In your response, please discuss whether the sample is composed of both commercial and individual mailers.
 - i. Please also confirm that the methodology for identifying and contacting the survey sample is consistent for the past BHT results provided in the response to question 34.a.
 - ii. If not confirmed, please explain any changes in the methodology for identifying and contacting the survey sample.
- e. Please confirm that the mail discussed in Q1 2021 BHT of Attachment 1 refers solely to First-Class Mail and end-to-end Periodicals. If not confirmed, please explain the meaning of "mail" in the context of the survey and whether mail in this context would include packages.
 - i. Please also confirm that the definition of "mail" is consistent for the past BHT results provided in the response to question 34.a.
 - ii. If not confirmed, please explain any changes to how "mail" is referenced by survey participants.

- f. Please provide a full list of the surveyed drivers of satisfaction in the Q1 2021 BHT of Attachment 1.
 - i. Please also confirm that the list of surveyed drivers of satisfaction is consistent for the past BHT results provided in the response to question 34.a.
 - ii. If not confirmed, please explain any changes to the lists of drivers of customer satisfaction which were surveyed.

Christopher Laver
Presiding Officer